

# HOUSE BILL REPORT

## SSB 5879

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**As Reported by House Committee On:**  
Community & Economic Development & Trade

**Title:** An act relating to entrepreneurial education and training.

**Brief Description:** Concerning entrepreneurial education and training.

**Sponsors:** Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Shin and Delvin).

**Brief History:**

**Committee Activity:**

Community & Economic Development & Trade: 3/25/09, 3/26/09 [DPA].

**Brief Summary of Substitute Bill  
(As Amended by House)**

- Directs the Washington State Economic Development Commission and the Workforce Training and Education Coordinating Board to jointly inventory and evaluate entrepreneurial training and assistance programs.

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### HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Smith, Ranking Minority Member; Chase, Liias, Orcutt, Parker, Probst and Sullivan.

**Staff:** Chris Cordes (786-7103)

**Background:**

The Washington State Economic Development Commission (Commission) is established in statute as an advisory body to the Department of Community, Trade and Economic Development (DCTED). Among its various duties, the Commission must:

- develop and maintain on a biennial basis a state comprehensive plan for economic development; and

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- establish and maintain an inventory of programs of the state economic development system and related state programs.

In addition, the Commission may, subject to available funding, perform other functions including:

- periodically reviewing the policies and plans established for business and technical assistance, export assistance, and infrastructure development;
- providing for coordination among the different agencies, organizations, and components of the state economic development system at the state and regional levels; and
- advocating for the state economic development system and for meeting the needs of industry associations, industry clusters, businesses, and employees.

The Commission must produce a biennial report to the Governor and the Legislature on its progress in coordinating the state's economic development system and meeting its other obligations and duties. The report may include any recommendations for statutory changes necessary to enhance operational efficiencies or improve coordination.

The Workforce Training and Education Coordinating Board (WTB) provides planning, coordination, evaluation, monitoring, and policy analysis for the state workforce training system as a whole and advises the Governor and the Legislature concerning the training system. It is a tripartite partnership of business, labor, and government. The WTB prepares a comprehensive plan that is updated every two years.

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### **Summary of Amended Bill:**

The Commission's general duty to inventory the state's economic development programs includes educational and technical assistance programs serving entrepreneurs. It requires an assessment of the extent to which the economic development programs are successful or underperforming in meeting the state's economic development needs.

The Commission and the WTB must, within the appropriations for the agencies, jointly create an inventory of targeted training and assistance programs in the state that provide exclusively the skills and knowledge that entrepreneurs seek. The inventory must report on the numbers of individuals who have sought services and the scale of businesses represented by them. It must survey those served by the programs and document the public resources used and the benefits of the programs. The agencies must also evaluate programs from other entities and identify best practices.

By December 1, 2009, the agencies must report to the Legislature and the Director of the DCTED on the program inventory, including recommendations on successful and underperforming programs, best practices, and business climate concerns and barriers identified by entrepreneurs.

The entrepreneurial program inventory requirement expires January 1, 2010.

## **Amended Bill Compared to Original Bill:**

The amended bill:

(1) specifies that the Commission's general duty to inventory the state's economic development programs includes educational and technical assistance programs serving entrepreneurs and includes an assessment of the extent to which economic development programs are successful or underperforming in meeting the state's economic development needs;

(2) requires the Commission and the WTB, within the appropriations for the agencies, to jointly create an inventory of training and assistance programs in the state that provide exclusively the skills and knowledge that entrepreneurs seek;

(3) specifies that the inventory will report on the numbers of individuals who have sought services and the scale of businesses represented by them, will survey those served by the programs, and will document the public resources used and the benefits of the programs;

(4) requires the agencies to evaluate programs from other entities and identify best practices;

(5) deletes requirements for the Commission to distribute awards for excellence in entrepreneurial and innovation training and assistance;

(6) requires a joint report by December 1, 2009, to the Legislature and the Director of the DCTED, including recommendations on successful and underperforming programs, best practices, and business climate concerns and barriers identified by entrepreneurs; and

(7) expires the new inventory requirement on January 1, 2010.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### **Staff Summary of Public Testimony:**

(In support) The Commission already does an inventory, but there is a need to know whether the programs are effective. A performance evaluation, in addition to an inventory, would be revealing. There may not be many innovation programs. Having the Commission establish awards is a unique goal and could spur new programs.

(Opposed) None.

**Persons Testifying:** Senator Kastama, prime sponsor.

**Persons Signed In To Testify But Not Testifying:** None.